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**AUTO ITALIA HOLDINGS LIMITED**

**意達利控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 720)**

## **TERMINATION OF IMPORT AND DISTRIBUTION RIGHTS**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

On 29 November 2016, AIL, a wholly owned subsidiary of the Company, received an advice from Ferrari to terminate the import and distribution rights of “Ferrari” cars in Hong Kong and Macau with effect from 27 May 2017. The Company is in discussion with Ferrari for transition arrangement.

The Group will continue to carry on the businesses of import, distribution and provision of after-sales services of “Maserati” cars in Hong Kong and Macau, provision of pre-delivery inspection services, financing business and financing-related consultancy services as well as property investment business. The Board considers that the cessation of Ferrari business will have no material adverse impact on the profitability of the Group.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.**

This announcement is made by Auto Italia Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

\* *For identification purpose only*

On 29 November 2016 Auto Italia Limited (“AIL”), a wholly owned subsidiary of the Company, received an advice from Ferrari S.p.A. (“Ferrari”) to terminate the import and distribution rights of “Ferrari” cars in Hong Kong and Macau with effect from 27 May 2017; pursuant to the Import and Distribution Agreement dated 1 January 1992 between Ferrari and Italian Motors (Sales & Services Limited, a wholly owned subsidiary of the Company, which was assigned to AIL on 27 November 2003 and amended on 27 May 2005 (collectively the “Import and Distribution Agreement”). The Company is in discussion with Ferrari for transition arrangement.

The Group will continue to carry on the businesses of import, distribution and provision of after-sales services of “Maserati” cars in Hong Kong and Macau, provision of pre-delivery inspection services, financing business and financing-related consultancy services as well as property investment business. As noted in the interim report of the Company for the six months ended 30 June 2016, with the slowdown of the Hong Kong economy, overall sales of luxury cars decreased by approximately 42% in the first six months of 2016 as compared to the same period in 2015. On the other hand, pre-delivery inspection services continue to grow steadily and may become a major profit drive of the car business of the Group. On the premises, the board (“Board”) of directors (“Directors”) considers that the cessation of Ferrari business will have no material adverse impact on the profitability of the Group.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.**

By order of the Board  
**AUTO ITALIA HOLDINGS LIMITED**  
**Chong Tin Lung Benny**  
*Executive Chairman and Chief Executive Officer*

Hong Kong, 29 November 2016

*As at the date of this announcement, the Board comprises Mr. Chong Tin Lung Benny (Executive Chairman and Chief Executive Officer) and Mr. Lam Chi Yan, both of whom are executive Directors; and Dr. Antonio Maria Santos, Mr. Kong Kai Chuen Frankie and Mr. Lee Ben Tiong Leong, all of whom are independent non-executive Directors.*